

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

**Kennedy Financial, L.L.C.
42878 Ledgeview Drive
Novi, MI 48377
License No.: FL-2718**

Enforcement Case No: 08-5724

Respondent

**CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF CIVIL FINE**

Issued and entered
on May 12, 2009
by Stephen R. Hilker,
Chief Deputy Commissioner

Based upon the Stipulation to Entry of the Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner Finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, MCL 445.1651 *et seq.* ("Act").
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.

3. Acceptance of the parties' Stipulation to Entry of the Consent Order is reasonable and in the public interest.

4. All applicable provisions of the MAPA have been met.

5. Respondent violated Sections 2 and 22 of the MBLSLA.

Now therefore, based upon the parties' Stipulation to Entry of the Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. Respondent shall CEASE and DESIST from violating Sections 2 and 22 of the MBLSLA.

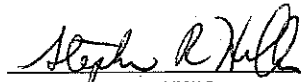
2. Respondent shall pay to the State of Michigan, through OFIR, a civil fine in the amount of \$750. Respondent shall further pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.

3. Respondent shall establish and maintain a program to monitor and ensure compliance with the MBLSLA.

4. Respondent shall educate all of its officers and employees with respect to all state and federal consumer laws and regulations, including the MBLSLA.

5. Respondent shall immediately designate a compliance officer to ensure that Respondent is in compliance with applicable state and federal laws, rules, and regulations, and provide written notification to OFIR of the compliance officer's name and business address. Respondent's written notice designating a compliance officer shall accompany Respondent's payment of a civil fine as provided for in Paragraph 2 of this Order. Respondent shall notify OFIR of any change in designation of the compliance officer within 30 days of such re-designation.

6. The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further Order(s) as he shall deem just, necessary and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.



Stephen R. Hilker
Chief Deputy Commissioner

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STIPULATION TO ENTRY OF THE CONSENT ORDER

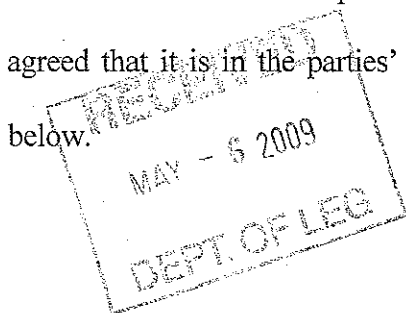
Kennedy Financial, L.L.C. (Respondent) and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about November 26, 2008, OFIR served Respondent with a Notice of Opportunity to Show Compliance ("NOSC") alleging that Respondent violated provisions of the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, MCL 445.1651 *et seq.*

2. The NOSC contained allegations that Respondent violated the MBLSLA, and set forth the applicable laws and penalties which could be taken against Respondent.

3. Respondent exercised its right to an opportunity to show compliance via a telephone conference on or about December 17, 2008.

4. OFIR and Respondent have conferred for purposes of resolving this matter and have agreed that it is in the parties' best interest to resolve this matter pursuant to the terms set forth below.



5. The Chief Deputy Commissioner of OFIR has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, and the MBLSLA.

6. At all pertinent times, Respondent was licensed with OFIR as a Mortgage Broker pursuant to the MBLSLA.

7. The NOSC alleged the following:

a. In connection with the investigation of a mortgage broker license application, OFIR learned that Respondent conducted activities under the MBLSLA with an independent loan originator who was neither an employee of Respondent nor licensed, registered, or exempt from licensure under the MBLSLA. Specifically, Respondent allowed [REDACTED], who at the time was an unlicensed independent loan originator, to act as a mortgage broker without the requisite license or registration by accepting mortgage loan applications from [REDACTED]. Respondent has paid [REDACTED] for mortgage loans it originated, which is a violation of Section 2 of the MBLSLA, MCL 445.1652.

Further, Respondent failed to take adequate action to ensure that the business conducted under its mortgage license was conducted with properly licensed, registered, or exempt loan originators, in violation of Section 22(a) of the MBLSLA, MCL 445.1672(a).

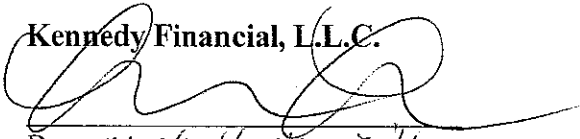
8. Respondent agrees that it will pay to the State of Michigan, through OFIR, a civil fine in the amount of \$750. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.

9. Both parties have complied with the procedural requirements of the MAPA and the MBLSLA.

10. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel. Respondent admits that it has violated Sections 2 and 22 of the MBLSLA and Consents to the entry of the Order. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Chief Deputy Commissioner, result in further administrative compliance actions.

11. The Chief Deputy Commissioner has jurisdiction and authority under the provisions of the MAPA and the Act to accept the Stipulation and Consent Order and to issue a Consent Order resolving these proceedings.

Kennedy Financial, L.L.C.

By: 
Its: *pres.*

5-3-09
Dated

Office of Financial & Insurance Regulation

By: 
Staff Attorney

5/8/09
Dated